

GRADE RUAN CLT LIMITED

Board of Management Secretary's Report to Parish Meeting 14th April 2021

Grade Ruan CLT Limited was incorporated and registered at Companies House on 6th November 2013 as a private company limited by guarantee with no share capital. The Board of Management first met on 13th February 2014 and since then it has had 69 meetings, roughly once a month. Board members currently are:

Chairman	Paul Collins (nominated by Grade Ruan Parish Council)
Secretary	Peter Freeman (nominated by Grade Ruan Parish Council)
Treasurer	Catherine Bird (elected)
Board members	Nigel Green (elected) John Trewin (elected)

Progress with our project to build six affordable homes has been slow and often frustratingly not in the direction we would have liked.. Having appointed Cornwall CLT as our Development Agents, they took on all the work of seeking funding and inviting tenders from eligible builders. The three full tenders we got were all well above expectation and even the cheapest presented us with a large funding gap. We tried to make the case for using a much lower cost approach by employing local contractors under the management of a local site manager, but we were firmly told that Cornwall Council would not provide any funding, or even release “our” £257,198 if we deviated from its procurement regulations. Capital funding was available from the Community Housing Fund administered by Homes England, but only to organisations that are approved Registered Providers of social housing. We are not so approved and the process of seeking approval is a long and demanding one. At a summit meeting with Cornwall Council and Cornwall CLT, the only way out of our problem was for Cornwall CLT to take over the project on our behalf, since they were in the process of applying for Registered Provider status and so would be able to access funding.

We have accordingly leased the land to Cornwall CLT and they have signed a contract with Cathedral Builders. Construction work began at the end of March 2020 and is expected to be completed within one year. The payment we received for the lease enabled us to repay the private loan we had to purchase the land plus a small premium. We will receive an annual ground rent that will be index-linked and there is a clause in the lease enabling us to buy back the whole development if ever we are able to. Meanwhile Cornwall CLT will act as landlord, collecting rents and handling maintenance. They will provide annual audited accounts of their work.

We are naturally disappointed not to be able to complete the whole project ourselves, but feel that this way forward has considerable advantages:

- the homes will get built and occupied by local people quite quickly
- we will have a small but increasing annual income with which to seed fund future projects
- if we become a Registered Provider, or if government requirements change, we may be able to access funding that would enable us to buy back the lease.

Peter Freeman